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# STAFF NOTES:

## **Western Europe Canada International Organizations**

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**WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS**

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Italian Communist Leader Comments on President  
Ford's Scheduled Visit to Rome

President Ford's projected visit to Rome on June 3, announced over the weekend, has already drawn veiled criticism from Italian Communist leader Enrico Berlinguer.

Berlinguer on Saturday questioned the "real purpose" of the President's visit and asserted that the dominant Christian Democrats would try to use the visit to enhance their image on the eve of the June 15 nationwide regional and local elections. The Christian Democrats are still expected to lose some ground to the left in those contests.

The Communists will probably stop short of condemning the visit or organizing protests against it. As part of their strategy for achieving a direct voice in the national government, the Communists recently have been signaling in various ways their willingness to accept Italy's security ties with the US. Berlinguer, meanwhile, has taken a number of steps--such as his criticism of the Portuguese Communists--to underline his party's claim to autonomy from Moscow.

Berlinguer reportedly reiterated on Saturday the Italian Communist Party's acceptance of cooperation with Washington but maintained that he would be "quick to denounce any exploitation of the visit for internal purposes."

A number of non-Communist papers portray the trip as emphasizing the importance

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the US attaches to the Atlantic alliance and demonstrating Washington's concern for potential weaknesses in NATO's southern tier. Turin's prestigious La Stampa interpreted the trip as evidence of a US desire to "reestablish" a dialogue with Rome, but also saw in the visit a desire to influence the June elections.

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EC Developing Ties with Mexico

Negotiations between the EC and Mexico on a five-year non-preferential trade agreement went smoothly last week and signature on a final accord is expected early this summer. The agreement which would enter into force next January, is intended to serve as a model for other Latin American countries.

The trade agreement will allow Mexico to derive greater advantage from the EC's scheme of tariff preferences for all developing countries. It also establishes a joint committee to encourage trade diversification.

The Mexicans were seeking a more comprehensive economic cooperation agreement, but the community's present jurisdiction is limited to trade matters.

The Commission is now seeking permission from EC members to frame an economic agreement with Canada and does not want to have to argue also on behalf of developing countries such as Mexico. The Mexicans will have to be content with a clause enabling their agreement with the EC to be broadened gradually as the jurisdiction of the community is expanded.

The EC sees the proposed agreement with Mexico, as well as existing non-preferential accords with Brazil, Argentina, and Uruguay, as a step toward guaranteeing Europe's access to raw materials. The

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Latin Americans are anxious to find ways to balance the effect of trade preferences granted by the EC to 46 developing states--mostly in Africa--under the Lomé Convention.

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EC Formulates Policies Toward CEMA Prior  
to Possible Bilateral Meeting

CEMA appears ready to meet with the EC Commission in Brussels in a follow-up to the unproductive talks in Moscow last February. The EC, meanwhile, has taken a number of important steps aimed at clarifying economic relations with state-trading countries.

The Bulgarian Deputy Foreign Minister--presumably acting on Moscow's behalf--has told the EC Commission's Vice President for External Relations that he thought a delegation, composed of representatives of the CEMA states as well as CEMA officials, would accept an EC invitation to visit Brussels should the CEMA Council in mid-May approve the trip.

The EC wants to limit discussions with CEMA to specific technical matters in order to underscore its position that CEMA, unlike the EC, has no jurisdiction over trade policy. The Moscow sessions--the first ever between the two organizations--floundered over Soviet insistence that the time be spent almost exclusively on setting a date for a meeting between EC Commission President Ortolí and the CEMA Secretary General.

In a related development, the EC Committee charged with reviewing proposed economic cooperation agreements between EC members and state-trading countries is now fully operative. All members have approved the draft "code of conduct" for use in negotiating such agreements. This

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includes various unilateral declarations which a member is to attach to a cooperation agreement in connection with references to the trade policy commitments these contain. EC members should also now be better able to resist efforts by a state-trading country to undermine the Commission's responsibilities for managing trade relations on behalf of the EC.

The Commission's goal is eventually to institute EC-wide economic cooperation agreements between the Community and state-trading countries. Such a procedure would entail a significant increase in the Commission's responsibilities, and certain EC members are presently not willing to delegate such authority. Most, if not all, of the CEMA members would strongly object to such a development.

The Commission has also published a consolidated Community listing of import quotas for 1975 for certain products from Communist countries. The quotas are still applied on a national basis. Although the new listing merely records the existing national EC country quotas--with standard annual increases, it is nevertheless the result of difficult negotiations with the EC. For example, a French demand that import restrictions be lifted on certain textile and aluminum products was eventually withdrawn, despite a threat to take unilateral action, when the Commission threatened to take France before the Community court.

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